

Free Speech Systems LLC
Chapter 7 Liquidation Plan
Cash Receipts and Disbursement Summary
as of 6/11/2024



	Week 1 6/16/2024 to 6/22/2024	Week 2 6/23/2024 to 6/29/2024	Week 3 6/30/2024 to 7/6/2024	Week 4 7/7/2024 to 7/13/2024	TOTAL
Cash Receipts (net of Sale Taxes)					
FSS Supplement Sales	463,443.50	354,271.32	334,012.50	317,311.87	1,469,039.19
FSS Non-Supplement Sales	18,884.50	17,107.60	15,668.23	12,691.26	64,351.59
Book Sales	2,518.36	1,114.68	808.81	567.05	5,008.90
Ready Alliance Sales	12,857.14	10,928.56	8,742.85	6,994.28	39,522.83
Supply Acceleration Sales	8,744.67	6,995.73	6,296.16	5,981.35	28,017.91
Platinum Product Sales	16,160.00	12,928.00	-	-	29,088.00
PQPR Sales	-	-	-	-	-
Shipping Collected	19,162.00	15,301.00	14,894.00	14,536.50	63,893.50
Total Cash Receipts	541,770.17	418,646.89	380,422.55	358,082.31	1,698,921.92
Total Cost of Sales	(54,844.64)	(94,253.26)	(31,391.97)	(29,515.54)	(210,005.42)
Gross Margin	486,925.53	324,393.63	349,030.58	328,566.77	1,488,916.50
Operating Expenses					
Total Payroll	(144,745.04)	(121,574.16)	(5,500.00)	(121,574.16)	(393,393.37)
Facilities Expenses	(17,500.00)	(16,000.00)	(65,940.00)	(13,250.00)	(112,690.00)
Production / IT / Computer Exp	(68,000.00)	(58,000.00)	(84,000.00)	(53,000.00)	(263,000.00)
Administrative Expenses	(20,700.00)	(70,700.00)	(18,200.00)	(18,200.00)	(127,800.00)
	(250,945.04)	(266,274.16)	(173,640.00)	(206,024.16)	(896,883.37)
Total Cash from Operations	235,980.49	58,119.46	175,390.58	122,542.60	592,033.13
Cash Flow Analysis					
Beginning Cash Balance	2,300,000.00	5,985,980.49	6,044,099.95	6,219,490.53	2,300,000.00
(a) Beginning Cash Equivalent Balance	3,450,000.00				3,450,000.00
Total Cash from Operations	235,980.49	58,119.46	175,390.58	122,542.60	592,033.13
Ending Cash & Equivalents	5,985,980.49	6,044,099.95	6,219,490.53	6,342,033.13	6,342,033.13

(a) Cash equivalents include Credit Card Reserves, Credit Card Receivables and other Receivables

*** All analysis assumes that Alex Jones will not elect to continue his employment at FSS after conversion ***

Free Speech Systems LLC
Chapter 7 Liquidation Plan
Cash Receipts and Gross Margin Analysis
as of 6/11/2024



	Week 1	Week 2	Week 3	Week 4	
	6/16/2024	6/23/2024	6/30/2024	7/7/2024	
	to	to	to	to	
	6/22/2024	6/29/2024	7/6/2024	7/13/2024	TOTAL
Cash Receipts (net of Sale Taxes)					
(a) FSS Supplement Sales	463,443.50	354,271.32	334,012.50	317,311.87	1,469,039.19
(b) FSS Non-Supplement Sales	18,884.50	17,107.60	15,668.23	12,691.26	64,351.59
(c) Book Sales	2,518.36	1,114.68	808.81	567.05	5,008.90
(d) Ready Alliance Sales	12,857.14	10,928.56	8,742.85	6,994.28	39,522.83
(d) Supply Acceleration Sales	8,744.67	6,995.73	6,296.16	5,981.35	28,017.91
(e) Platinum Product Sales	16,160.00	12,928.00	-	-	29,088.00
(f) PQPR Sales	-	-	-	-	-
(g) Shipping Collected	19,162.00	15,301.00	14,894.00	14,536.50	63,893.50
Total Cash Receipts	541,770.17	418,646.89	380,422.55	358,082.31	1,698,921.92
Cost of Sales					
Ready Alliance COGS	(8,357.14)	(7,103.56)	(5,682.85)	(4,546.28)	(25,689.84)
Supply Acceleration COGS	(6,558.50)	(5,246.80)	(4,722.12)	(4,486.01)	(21,013.43)
Platinum Products COGS	(12,928.00)	(10,342.40)	-	-	(23,270.40)
(h) Inventory Purchase Commitments	-	(50,000.00)	-	-	(50,000.00)
(i) Shipping and Fulfillment	(27,001.00)	(21,560.50)	(20,987.00)	(20,483.25)	(90,031.75)
Total Cost of Sales	(54,844.64)	(94,253.26)	(31,391.97)	(29,515.54)	(210,005.42)
Gross Margin	486,925.53	324,393.63	349,030.58	328,566.77	1,488,916.50

Total Orders Processed	3,484	2,782	2,708	2,643	11,617
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- (a) Estimated assuming inventory levels as of 6/11/24
- (b) Numerous inventory items put into a single category with an aggregate cost of approximately \$200,000. This is slow moving inventory and it is assumed it will be deeply discounted.
- (c) Jones' book sales have slowed to an immaterial amount and the trend is expected to continue. The price will be reduced to incentivize sales. Costs of book sales have been recovered
- (d) Assumes we will continue to offer 3rd party consignment products as there is no incremental cost to FSS and we only pay for the products if there is a sale
- (e) Anticipate that Jones will pull his Platinum Products from the store
- (f) PQPR pulled the last of their products from the FSS store on 6/10/2024
- (g) FSS will continue to manage the shipping costs to customers and incentivize additional purchase by offering free shipping for orders over a certain amount
- (h) Final payments for the products ordered in prior months that will be delivered in June 2024 including Vitamin Mineral Fusion, X2 and Vitamin C
- (i) Assumes that the historical average shipping cost of \$7.75 per order will continue

Free Speech Systems LLC
Chapter 7 Liquidation Plan
Payroll and Operating Expenses
as of 6/11/2024



	Week 1 6/16/2024 to 6/22/2024	Week 2 6/23/2024 to 6/29/2024	Week 3 6/30/2024 to 7/6/2024	Week 4 7/7/2024 to 7/13/2024	TOTAL
Payroll Expenses					
(a) Production - Salary	47,885.00	39,961.55	-	39,961.55	127,808.10
(a) Production - Hourly	4,965.00	11,800.00	-	11,800.00	28,565.00
(a) Production - Contract	35,000.00	2,000.00	2,000.00	2,000.00	41,000.00
(a) Finance / IT / Admin - Salary	8,577.00	39,846.16	-	39,846.16	88,269.32
(a) Finance / IT / Admin - Hourly	2,000.00	5,000.00	-	5,000.00	12,000.00
(a) Finance / IT / Admin - Contract	3,500.00	3,500.00	3,500.00	3,500.00	14,000.00
(b) Alex Jones Salary	25,000.00	-	-	-	25,000.00
Payroll Taxes	6,764.67	7,390.49	-	7,390.49	21,545.65
(c) Benefits and Other HR	11,053.38	12,075.96	-	12,075.96	35,205.30
Total Payroll	144,745.04	121,574.16	5,500.00	121,574.16	393,393.37

- (a) Assumes that the Ch 7 Trustee will begin to lay off the staff in the first week.
Additional personnel decisions will be deferred to the Ch 7 Trustee
- (b) This assumes that Alex Jones will not continue his employment at FSS
- (c) Benefits for staff will continue for at least the first month of liquidation

Facilities Expenses					
(d) Rent	-	-	57,440.00	-	57,440.00
(e) Office Security	17,500.00	12,000.00	8,000.00	8,000.00	45,500.00
Janitorial	-	3,500.00	-	-	3,500.00
Repairs / Maintenance	-	-	-	3,500.00	3,500.00
Supplies / Printer / Postage	-	500.00	500.00	1,750.00	2,750.00
Total Facilities Expenses	17,500.00	16,000.00	65,940.00	13,250.00	112,690.00

- (d) Leases for the Austin space expire in 12/24
- (e) Assume security will be retained by the Ch 7 trustee to protect the personnel and assets of FSS

Production / IT / Computer Expense					
(f) Internet & Bandwidth	3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
(f) Cloud Services	35,000.00	35,000.00	35,000.00	35,000.00	140,000.00
(f) Ecommerce	10,000.00	10,000.00	10,000.00	10,000.00	40,000.00
(f) Telecommunications	5,000.00	-	3,500.00	-	8,500.00
(f) Image License & Other	10,000.00	5,000.00	-	-	15,000.00
(f) Satellite Services	-	-	27,500.00	-	27,500.00
(g) IT Consulting & Security	5,000.00	5,000.00	5,000.00	5,000.00	20,000.00
Total Production / IT Expense	68,000.00	58,000.00	84,000.00	53,000.00	263,000.00

- (f) FSS has not analyzed all contracts for IT and production services to ascertain remaining terms and cancellation provisions
- (g) engagement with third party IT consultants

Administrative Expenses					
(h) Travel Expenses	5,000.00	5,000.00	2,500.00	2,500.00	15,000.00
(h) Mileage / Parking Tolls	500.00	500.00	500.00	500.00	2,000.00
(h) Business Meals	100.00	100.00	100.00	100.00	400.00
Bank Fees	100.00	100.00	100.00	100.00	400.00
(i) Transition Expenses	15,000.00	15,000.00	15,000.00	15,000.00	60,000.00
(j) Tax / Accounting Prep	-	50,000.00	-	-	50,000.00
	20,700.00	70,700.00	18,200.00	18,200.00	127,800.00

- (h) There will be travel expenses for Houston, TX base trustee and consultants to travel to Austin, TX
- (i) Consulting costs for transitioning the Chapter 11 bankruptcy case to the Chapter 7 Trustee
- (j) Costs to prepare and file Sales, Property and Income Taxes on behalf of FSS

TOTAL PAYROLL & OPERATING EXPENSE	250,945.04	266,274.16	173,640.00	206,024.16	896,883.37
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